

_____ BILL NO. _____

INTRODUCED BY _____
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING THE BOARD OF TRUSTEES OF A SCHOOL DISTRICT RECEIVING STATE MONEY FROM USING THAT MONEY TO DIRECTLY OR INDIRECTLY SUPPORT LITIGATION TO OBTAIN ADDITIONAL STATE FUNDING WITHOUT PRIOR VOTER APPROVAL; AMENDING SECTION 20-9-344, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Use of state money for funding litigation without voter approval -- penalty. (1) The board of trustees of a school district receiving state money may not expend that money to directly or indirectly support litigation to obtain additional state funding without prior voter approval.

(2) If a legislative audit determines that the trustees of a school district have expended state funds in violation of this section, the superintendent of public instruction shall withhold from the district in the succeeding fiscal year a payment of BASE aid, as provided in 20-9-344, that is equal to the amount spent without voter approval.

Section 2. Section 20-9-344, MCA, is amended to read:

"20-9-344. Duties of board of public education for distribution of BASE aid. (1) The board of public education shall administer and distribute the BASE aid and state advances for county equalization in the manner and with the powers and duties provided by law. The board of public education:

(a) shall adopt policies for regulating the distribution of BASE aid and state advances for county equalization in accordance with the provisions of law;

(b) may require reports from the county superintendents, county treasurers, and trustees that it considers necessary; and

(c) shall order the superintendent of public instruction to distribute the BASE aid on the basis of each district's annual entitlement to the aid as established by the superintendent of public instruction. The superintendent may not include in the superintendent's calculation of a district's annual entitlement any amount

1 to be withheld from a district pursuant to [section 1]. In ordering the distribution of BASE aid, the board of public
2 education may not increase or decrease the BASE aid distribution to any district on account of any difference that
3 may occur during the school fiscal year between budgeted and actual receipts from any other source of school
4 revenue.

5 (2) The board of public education may order the superintendent of public instruction to withhold
6 distribution of BASE aid from a district when the district fails to:

7 (a) submit reports or budgets as required by law or rules adopted by the board of public education; or

8 (b) maintain accredited status.

9 (3) Prior to any proposed order by the board of public education to withhold distribution of BASE aid or
10 county equalization money, the district is entitled to a contested case hearing before the board of public
11 education, as provided under the Montana Administrative Procedure Act.

12 (4) If a district or county receives more BASE aid than it is entitled to, the county treasurer shall return
13 the overpayment to the state upon the request of the superintendent of public instruction in the manner prescribed
14 by the superintendent of public instruction.

15 (5) Except as provided in 20-9-347(2), the BASE aid payment must be distributed according to the
16 following schedule:

17 (a) from August to October of the school fiscal year, to each district 10% of:

18 (i) direct state aid;

19 (ii) the total quality educator payment;

20 (iii) the total at-risk student payment;

21 (iv) the total Indian education for all payment; and

22 (v) the total American Indian achievement gap payment;

23 (b) from December to April of the school fiscal year, to each district 10% of:

24 (i) direct state aid;

25 (ii) the total quality educator payment;

26 (iii) the total at-risk student payment;

27 (iv) the total Indian education for all payment; and

28 (v) the total American Indian achievement gap payment;

29 (c) in November of the school fiscal year, one-half of the guaranteed tax base aid payment to each
30 district or county that has submitted a final budget to the superintendent of public instruction in accordance with

1 the provisions of 20-9-134;

2 (d) in May of the school fiscal year, the remainder of the guaranteed tax base aid payment to each district
3 or county; and

4 (e) in June of the school fiscal year, the remaining payment to each district of direct state aid, the total
5 quality educator payment, the total at-risk student payment, the total Indian education for all payment, and the
6 total American Indian achievement gap payment.

7 (6) The distribution provided for in subsection (5) must occur by the last working day of each month."
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9 NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
10 integral part of Title 20, chapter 3, part 3, and the provisions of Title 20, chapter 3, part 3, apply to [section 1].
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12 NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.
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14 NEW SECTION. Section 5. Termination. [This act] terminates June 30, 2015.
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